Current Population Reports

Household Economic Studies

A Brief Look at Postwar U.S. Income Inequality

By Daniel H. Weinberg

Are the rich getting richer and the poor getting poorer?

Historical Census Bureau statistics on income can shed some light on that debate. Although the Census Bureau has been measuring incomes for a half-century and a large number of factors have been identified as contributing to changes in inequality, the root causes are still not entirely understood.

The Census Bureau has been studying the distribution of income since the late 1940's. The first income inequality statistics were published for families and came from the annual demographic supplement to the Current Population Survey (CPS). The most commonly used measure of income inequality, the Gini index (also known as the index of income concentration),[1] indicated a *decline* in family income *inequality* of 7.4 percent from 1947 to 1968. Since 1968, there has been an *increase* in income inequality, reaching its 1947 level in 1982 and increasing further since then. The increase was 16.1 percent from 1968 to 1992 and 22.4 percent from 1968 to 1994 (see figure 1).[2]

Figure 1.
Change in Income Inequality
Percent change in Gini Index vs. 1968
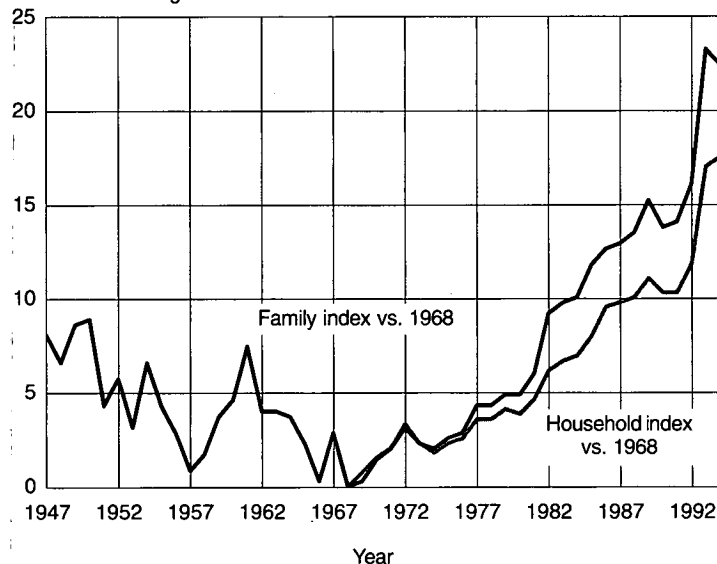
Living conditions of Americans have changed considerably since the late 1940's. In particular, a smaller fraction of all persons live in families (two or more persons living together related by blood or marriage). Therefore, starting in 1967, the Census Bureau began reporting on the income distribution of households in addition to families. By coincidence, 1968 was the year in which measured postwar income was at its most equal for families. The Gini index for households indicates that there has been growing income inequality over the past quarter-century. Inequality grew slowly in the 1970's and rapidly during the early 1980's. From about 1987 through 1992, the growth in measured inequality seemed to taper off, reaching

11.9 percent above its 1968 level. This was followed by a large apparent jump in 1993, partly due to a change in survey methodology.[3] The Gini index for households in 1994 was 17.5 percent above its 1968 level.

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[1] The Gini index ranges from 0.0, when every family (household) has the same income, to 1.0, when one family (household) has all the income. It is, therefore, one way to measure how far a given income distribution is from equality.

[2] Part of the increase from 1992 to 1994 is due to changes in survey methodology, see footnote 3.

[3] Computer-assisted personal interviewing (CAPI) was introduced in January 1994 to the Current Population Survey. As part of the March 1994 supplement, households were permitted to report up to $1 million in earnings, up from $300,000, and parallel increases were made in the reporting limits for selected other income sources. Both of these changes affected the data. Analysis of the 1993 statistics suggests that the increase in the maximum amounts that could be reported accounts for about 1.8 percentage points or about one-third of the 1992 to 1993 increase of 5.2 percentage points. The contribution of the change to CAPI to the increase in measured inequality cannot be determined, but may bring the share of survey methods-related changes in inequality to over one-half of the 5.2 percentage points. See Paul Ryscavage, "A Surge in Growing Income Inequality?". Monthly Labor Review, August 1995.

Income inequality measures such as the Gini index or shares of aggregate income are particularly sensitive to changes in data collection measures. A change that may only affect a relatively small number of cases (especially those in the upper end of the income distribution) can affect these measures, while having virtually no effect on median income. We are unable to determine what fraction of the measured increase in income inequality between 1992 and 1993 was due to changes in survey administration between those 2 years, though our analysis suggests there was nonetheless a real increase in inequality between 1992 and 1993.[4]

Figure 2 illustrates the increasing share of aggregate household money income received by the highest income quintile (households with incomes above $62,841 in 1994)[5], 49.1 percent in 1994 and 46.9 percent in 1992, up from 42.8 percent in 1968, and the declining share for households in the middle 60 percent and those in the bottom quintile (incomes below $13,426).[6] During that same period, the share received by households in the top 5 percent of the income distribution went from 16.6 percent in 1968 to

Figure 2.
Shares of Household Income

Share of income (percent)

18.6 percent in 1992 and 21.2 percent in 1994.

Yet another way to look at the change in inequality involves the income at selected positions in the income distribution. As figure 3 shows, in 1994 dollars the household at the 95th percentile in 1994 had $109,821 in income, 8.2 times that of the household at the 20th percentile, whose income was $13,426 (the comparable 1992 ratio was 7.9).[7] In contrast, in 1968, the household at the 95th percentile had but 6.0 times the income of the household at the 20th percentile.

A parallel way to look at this change examines the average (mean) household income in each quintile (see figure 4). The average income of households in the top quintile grew from $73,754 in 1968 to $96,240 in 1992 and $105,945 in 1994. In percentage terms, this growth was 30 percent from 1968 to

1992 and 44 percent from 1968 to 1994. During the 1968 to 1994 period, the average income in the bottom quintile grew by only 8 percent, from $7,202 to $7,762 (7 percent from 1968 to 1992).[8] Consequently, the ratio of the average income of the top 20 percent of households to the average income of the bottom 20 percent went from 10.2 in 1968 to 12.5 in 1992 and 13.6 in 1994.

Yet one more way to look at the income distribution adjusts for family size changes over the period, by examining the change in the ratio of family income to its poverty threshold. Poverty thresholds vary by family size and composition, reflecting consumption efficiencies achieved through economies of scale (i.e., families of two or more persons can share certain goods

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[4] See U.S. Bureau of the Census, Income, Poverty, and Valuation of Noncash Benefits: 1993, Current Population Reports P60-188, Washington DC: U.S. Government Printing Office, February 1995, and Ryscavage, op. cit. for a discussion of the 1993 statistics. The Gini index of inequality did not change significantly between 1993 and 1994.
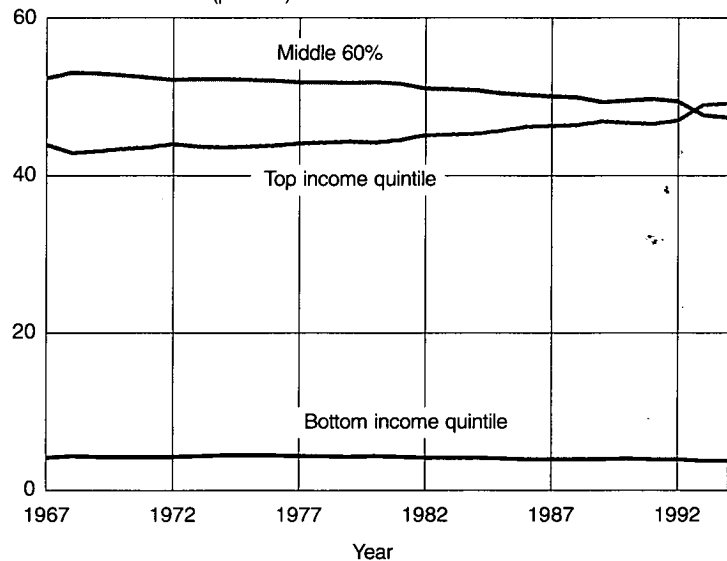
[5] All dollar amounts are in 1994 dollars and all percentage increases are corrected for inflation, as measured by the experimental Consumer Price Index for Urban Consumers. (The experimental index uses the official methodology adopted in 1983 by the Bureau of Labor Statistics as applied to the 1968-1982 period; see U.S. Bureau of the Census, op. cit., appendix A.)

[6] The respective shares of the middle 60 percent and the bottom 20 percent were 53.0 and 4.2 percent in 1968, down to 49.3 and 3.8 percent in 1992 and 47.3 and 3.6 percent in 1994.

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[7] Not significantly different from the 1994 ratio.

[8] Not significantly different from the 1968 to 1994 percentage change.

Figure 3.
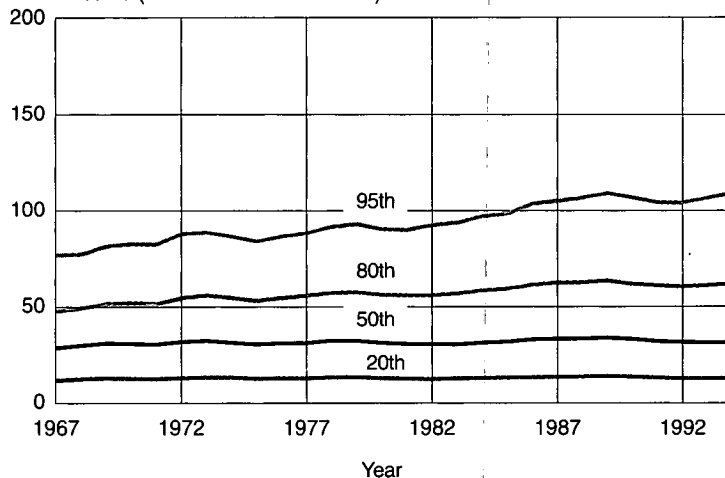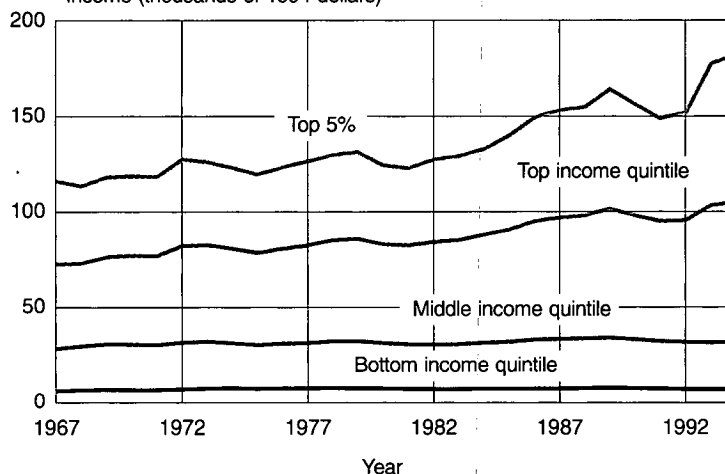## Upper Limits of Percentiles
Income (thousands of 1994 dollars)

95th
80th
50th
20th

Year

Figure 4.
Average Incomes
Income (thousands of 1994 dollars)

Top 5%
Top income quintile
Middle income quintile
Bottom income quintile

Year

such as housing).[9] A ratio of 1.00 thus indicates that the family has an income equal to the poverty threshold for its size and composition. The average ratio in the bottom quintile in 1968 was 1.04, while the average in the top quintile was 6.13. By 1994, these ratios were 0.92 and 9.22, respectively (and 0.89 and 8.39 in 1992), also indicating a widening income gap (see figure 5). The ratio for the middle quintile also rose, from 2.80 in 1968 to 3.26 in both 1992 and 1994.

In sum, when money income is examined, each of these indicators shows increasing income inequality over the 1968 to 1994 period. But, are there other perspectives that change this story?

Since 1979, the Census Bureau has examined several experimental measures of income. These measures add the value of noncash benefits (such as food stamps and employer contributions to health insurance) to, and subtract taxes from, the official money income measure. The Bureau's research in this area[10] has shown that the distribution of income is more equal under a broadened definition of income that takes account of the effects of taxes and noncash benefits. Further, government transfer benefits play a much more equalizing role on income than do taxes. Nonetheless, while the levels of inequality are lower, this alternative perspective does not change the picture of increasing income inequality over the 1979 to 1994 period.[11]

Why are these changes in inequality happening?[12]

The long-run increase in income inequality is related to changes in the Nation's labor market and its household composition. The wage distribution has become considerably more unequal with more highly skilled, trained, and educated workers at the top experiencing real wage gains and those at the bottom real wage losses. One factor is the shift in employment from those goods-producing industries that have disproportionately provided

[9] Poverty is defined only for families and unrelated individuals, not for households.

[10] See U.S. Bureau of the Census, op. cit., and U.S. Bureau of the Census, Income, Poverty, and the Valuation of Noncash Benefits: 1994, Current Population Reports P60-189, April 1996.

[11] For example, there was no significant difference between the percentage changes in the Gini index measured using the official income definition and a comprehensive measure including all income sources except imputed rent to owner-occupied dwellings.

[12] This section is based on Paul Ryscavage and Peter Henle, "Earnings Inequality Accelerates in the 1980's," Monthly Labor Review, December 1990; Sheldon Danziger and Peter Gottschalk (eds.) Uneven Tides: Rising Inequality in America, New York: Russell Sage Foundation, 1993; Lynn A. Karoly and Gary Burtless, "Demographic Change, Rising Earnings Inequality, and the Distribution of Personal Well-Being, 1959-89," Demography, v. 32, no. 3 (August 1995), 379-405; U.S. Council of Economic Advisors, Economic Report of the President, Washington, DC: U.S. Government Printing Office, February 1992, Chapter 4; and U.S. Council of Economic Advisors, Economic Report of the President, Washington, DC: U.S. Government Printing Office, February 1995, Chapter 5.

Figure 5.
Ratio of Income to Poverty

Ratio
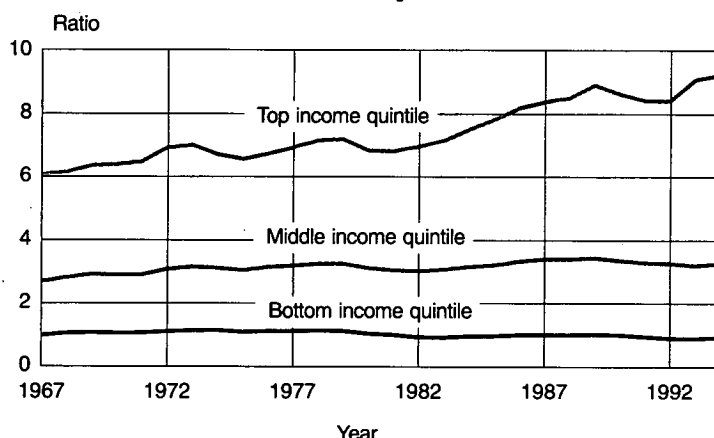
high-wage opportunities for low-skilled workers, towards services that disproportionately employ college graduates, and towards low-wage sectors such as retail trade. But within-industry shifts in labor demand away from less-educated workers are perhaps a more important explanation of eroding wages than the shift out of manufacturing. Also cited as factors putting downward pressure on the wages of less-educated workers are intensifying global competition and immigration, the decline of the proportion of workers belonging to unions, the decline in the real value of the minimum wage, the increasing need for computer skills, and the increasing use of temporary workers.

At the same time, long-run changes in living arrangements have taken place that tend to exacerbate differences in household incomes. For example, divorces and separations, births out of wedlock, and the increasing age at first marriage have led to a shift away from married-couple households and toward single-parent and nonfamily households, which typically have lower incomes. Also, the increasing tendency over the period for men with higher-than-average earnings to marry women with higher-than-average earnings has contributed to widening the gap between high-income and low-income households.

Accuracy of the Estimates

All statistics in the report are from the Current Population Survey and are subject to sampling variability, as well as survey design flaws, respondent classification errors, and data processing mistakes. The Census Bureau has taken steps to minimize errors, and analytical statements have been tested and meet statistical standards. However, because of methodological differences, use caution when comparing these data with data from other sources.

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Historical tabulations on income and poverty can be found on the Census Bureau's Internet site, at http://www.census.gov.

Selected Income Distribution Statistics

(Supplement to P60-191)

SOURCE:
   U.S. Bureau of the Census
   ' Current Population Reports, Series P60

CONTACT:
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   U.S. Bureau of the Census
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   http://www.census.gov/ftp/pub/hhes/www/incpov.html

SAMPLING STATEMENT

Data collected in the March Current Population Survey (CPS) conducted by
the Bureau of the Census are subject to sampling variability and errors of
response, including underreporting and nonreporting. These data are limited
to money income received before payments for personal income taxes, and
deductions for social security, medicare, union dues, and so forth.

It is the Bureau's policy not to publish any derived measure from the CPS
where the base is less than 75,000. Whenever a base of an income distribution
is relatively small, the medians, means, and percent distributions are
extremely unreliable because of the limited size of the sample and they must
be used with caution. For further details, see Current Population
Reports,Series P60-184, which should be available in your local library.

Although these data have not been published in this form, they have been
made available to the public on computer tapes. You may publish the data if
you wish, keeping in mind that medians, means, and percent distributions
may only be published provided their bases are over 75,000. Should you
decide to publish the data, please cite the Bureau of the Census as the source
and indicate that the data are from the CPS.

Table 1. Share of Aggregate Income Received by Each Fifth and Top 5 Percent of Families, 1947 to 1994. (Families as of March of the following year.)

Year	Number (thous.)	Lowest fifth	Second fifth	Third fifth	Fourth fifth	Highest fifth	Top 5 percent	Gini ratio
		Percent distribution of aggregate income						
1994../21/...	69,313	4.2	10.0	15.7	23.3	46.9	20.1	0.426
1993../20/...	68,506	4.1	9.9	15.7	23.3	47.0	20.3	0.429
1993../19/...	68,506	4.2	10.1	15.9	23.6	46.2	19.1	0.420
1992../18/...	68,216	4.3	10.5	16.5	24.0	44.7	17.6	0.404
1992..........	68,144	4.4	10.5	16.5	24.0	44.6	17.6	0.403
1991..........	67,173	4.5	10.7	16.6	24.1	44.2	17.1	0.397
1990..........	66,322	4.6	10.8	16.6	23.8	44.3	17.4	0.396
1989..........	66,090	4.6	10.6	16.5	23.7	44.6	17.9	0.401
1988..........	65,837	4.6	10.7	16.7	24.0	44.0	17.2	0.395
1987../17/...	65,204	4.6	10.7	16.8	24.0	43.8	17.2	0.393
1986..........	64,491	4.6	10.8	16.8	24.0	43.7	17.0	0.392
1985../16/...	63,558	4.6	10.9	16.9	24.2	43.5	16.7	0.389
1984..........	62,706	4.7	11.0	17.0	24.4	42.9	16.0	0.383
1983../15/...	62,015	4.7	11.1	17.1	24.3	42.8	15.9	0.382
1982..........	61,393	4.7	11.2	17.1	24.3	42.7	16.0	0.380
1981..........	61,019	5.0	11.3	17.4	24.4	41.9	15.4	0.369
1980..........	60,309	5.1	11.6	17.5	24.3	41.6	15.3	0.365
1979../14/...	59,550	5.2	11.6	17.5	24.1	41.7	15.8	0.365
1978..........	57,804	5.2	11.6	17.5	24.1	41.5	15.6	0.363
1977..........	57,215	5.2	11.6	17.5	24.2	41.5	15.7	0.363
1976../13/...	56,710	5.4	11.8	17.6	24.1	41.1	15.6	0.358
1975../12/...	56,245	5.4	11.8	17.6	24.1	41.1	15.5	0.357
1974./12/11/	55,698	5.5	12.0	17.5	24.0	41.0	15.5	0.355
1973..........	55,053	5.5	11.9	17.5	24.0	41.1	15.5	0.356
1972..........	54,373	5.4	11.9	17.5	23.9	41.4	15.9	0.359
1971../10/...	53,296	5.5	12.0	17.6	23.8	41.1	15.7	0.355
1970..........	52,227	5.4	12.2	17.6	23.8	40.9	15.6	0.353
1969..........	51,586	5.6	12.4	17.7	23.7	40.6	15.6	0.349
1968..........	50,823	5.6	12.4	17.7	23.7	40.5	15.6	0.348
1967../9/.....	49,834	5.4	12.2	17.5	23.5	41.4	16.4	0.358
1966../8/.....	49,214	5.6	12.4	17.8	23.8	40.5	15.6	0.349
1965../7/.....	48,509	5.2	12.2	17.8	23.9	40.9	15.5	0.356
1964..........	47,956	5.1	12.0	17.7	24.0	41.2	15.9	0.361
1963..........	47,540	5.0	12.1	17.7	24.0	41.2	15.8	0.362
1962../6/.....	47,059	5.0	12.1	17.6	24.0	41.3	15.7	0.362
1961../5/.....	46,418	4.7	11.9	17.5	23.8	42.2	16.6	0.374
1960..........	45,539	4.8	12.2	17.8	24.0	41.3	15.9	0.364
1959..........	45,111	4.9	12.3	17.9	23.8	41.1	15.9	0.361
1958..........	44,232	5.0	12.5	18.0	23.9	40.6	15.4	0.354

Table 1, continued

Year	Number (thous.)	Percent distribution of aggregate income						Gini ratio
		Lowest fifth	Second fifth	Third fifth	Fourth fifth	Highest fifth	Top 5 percent	
1957...........	43,696	5.1	12.7	18.1	23.8	40.4	15.6	0.351
1956:..........	43,497	5.0	12.5	17.9	23.7	41.0	16.1	0.358
1955...........	42,889	4.8	12.3	17.8	23.7	41.3	16.4	0.363
1954...........	41,951	4.5	12.1	17.7	23.9	41.8	16.3	0.371
1953...........	41,202	4.7	12.5	18.0	23.9	40.9	15.7	0.359
1952../4/.....	40,832	4.9	12.3	17.4	23.4	41.9	17.4	0.368
1951...........	40,578	5.0	12.4	17.6	23.4	41.6	16.8	0.363
1950...........	39,929	4.5	12.0	17.4	23.4	42.7	17.3	0.379
1949../3/....	39,303	4.5	11.9	17.3	23.5	42.7	16.9	0.378
1948...........	38,624	4.9	12.1	17.3	23.2	42.4	17.1	0.371
1947../2/.....	37,237	5.0	11.9	17.0	23.1	43.0	17.5	0.376

NOTES to Table 1:

1/ [not used]

2/ Based on 1940 census population controls.

3/ Implementation of expanded income questions to show wage and salary, farm self-employment and nonfarm self-employment and all other nonearned income separately.

4/ Implementation of 1950 census population controls.

5/ Implementation of first hot deck procedure to impute missing income entries (all income data imputed if any missing).

6/ Implementation of 1960 census population controls.

7/ Implementation of new procedures to impute missing data only.

8/ Questionnaire expanded to ask eight income questions.

9/ Implementation of a new March CPS processing system.

10/ Implementation of 1970 population controls.

11/ Implementation of a new March CPS processing system. Questionnaire expanded to ask eleven income questions.

12/ These estimates were derived using pareto interpolation and may differ from published data which were derived using linear interpolation.

13/ First year medians are derived using both pareto and linear interpolation. Prior to this year all medians were derived using linear interpolation.

14/ Implementation of 1980 census population controls. Questionnaire expanded to show 27 possible values from 51 possible sources of income.

15/ Implementation of Hispanic population weighting controls.

16/ Recording of amounts for earnings from longest job increased to $299,999.

17/ Implementation of a new March CPS processing system.

18/ Implementation of 1990 census population controls.

19/ See footnote 20. To maintain comparability, income data topcoded to 1992 limits.

20/ Data collection method changed from paper and pencil to computer-assisted interviewing. In addition, the March 1994 income supplement was revised to allow for the coding of different income amounts on selected questionnaire items. Limits either increased or decreased in the following categories: earnings increased to $999,999; Social Security increased to $49,999; Supplemental Security Income and Public Assistance increased to $24,999; Veterans' Benefits increased to $99,999; Child Support and Alimony decreased to $49,999.

21/ Introduction of new 1990 census sample design.

Table 2. Share of Aggregate Income Received by Each Fifth and Top 5 Percent of Households, 1967 to 1994.
(Households as of March of the following year. Income in CPI-U-X1 adjusted dollars.)

Year	Number (thous.)	Income at selected positions (dollars) Upper limit of each fifth($)					Percent distribution of aggregate income						
		Lowest	Second	Third	Fourth	Top 5%	Lowest fifth	Second fifth	Third fifth	Fourth fifth	Highest fifth	Top 5 percent	Gini ratio
1994./14/..	98,990	13,426	25,200	40,100	62,841	109,821	3.6	8.9	15.0	23.4	49.1	21.2	0.456
1993./13/..	97,107	13,299	25,311	39,786	61,844	107,318	3.6	9.0	15.1	23.5	48.9	21.0	0.454
1993./12/..	97,107	13,296	25,293	39,757	61,824	107,295	3.6	9.1	15.3	23.8	48.2	20.0	0.447
1992./11/..	96,426	13,309	25,499	40,034	61,273	104,596	3.8	9.4	15.8	24.2	46.9	18.6	0.434
1992.........	96,391	13,377	25,668	40,140	61,477	104,967	3.8	9.4	15.8	24.2	46.9	18.6	0.433
1991.........	95,699	13,697	26,115	40,336	61,761	104,893	3.8	9.6	15.9	24.2	46.5	18.1	0.428
1990.........	94,312	14,174	26,830	41,047	62,597	107,434	3.9	9.6	15.9	24.0	46.6	18.6	0.428
1989.........	93,347	14,457	27,489	42,249	64,192	109,656	3.8	9.5	15.8	24.0	46.8	18.9	0.431
1988.........	92,830	14,259	26,934	41,975	63,380	107,285	3.8	9.6	16.0	24.3	46.3	18.3	0.427
1987./10/..	91,124	14,089	26,744	41,746	63,093	105,577	3.8	9.6	16.1	24.3	46.2	18.2	0.426
1986.........	89,479	13,856	26,503	41,132	62,176	104,262	3.8	9.7	16.2	24.3	46.1	18.0	0.425
1985../9/..	88,458	13,692	25,761	39,908	60,021	99,173	3.9	9.8	16.2	24.4	45.6	17.6	0.419
1984.........	86,789	13,551	25,361	39,073	59,023	97,706	4.0	9.9	16.3	24.6	45.2	17.1	0.415
1983../8/..	85,290	13,316	24,760	38,001	57,429	94,485	4.0	9.9	16.4	24.6	45.1	17.1	0.414
1982.........	83,918	13,022	24,766	37,841	56,428	93,146	4.0	10.0	16.5	24.5	45.0	17.0	0.412
1981.........	83,527	13,198	24,673	38,160	56,418	90,795	4.1	10.1	16.7	24.8	44.4	16.5	0.406
1980.........	82,368	13,466	25,253	38,716	56,687	91,227	4.2	10.2	16.8	24.8	44.1	16.5	0.403
1979../7/..	80,776	14,019	26,035	40,056	58,078	93,847	4.1	10.2	16.8	24.7	44.2	16.9	0.404
1978.........	77,330	13,872	26,228	39,685	57,717	92,334	4.2	10.2	16.9	24.7	44.1	16.8	0.402
1977.........	76,030	13,446	25,325	38,602	56,278	89,108	4.2	10.2	16.9	24.7	44.0	16.8	0.402
1976../6/..	74,142	13,485	25,124	38,273	55,064	87,323	4.3	10.3	17.0	24.7	43.7	16.6	0.398
1975../5/...	72,867	13,185	24,746	37,393	53,690	84,725	4.3	10.4	17.0	24.7	43.6	16.6	0.397
1974./5/4/	71,163	13,878	25,742	38,038	55,205	87,378	4.3	10.6	17.0	24.6	43.5	16.5	0.395
1973.........	69,859	13,872	26,353	39,091	56,470	89,513	4.2	10.5	17.1	24.6	43.6	16.6	0.397
1972.........	68,251	13,518	26,035	38,485	55,074	88,653	4.1	10.5	17.1	24.5	43.9	17.0	0.401
1971../3/...	66,676	13,066	24,909	36,655	52,265	82,999	4.1	10.6	17.3	24.5	43.5	16.7	0.396

Table 2. Share of Aggregate Income Received by Each Fifth and Top 5 Percent of Households, 1967 to 1994.
(Households as of March of the following year. Income in CPI-U-X1 adjusted dollars.)

| Year | Number (thous.) | Income at selected positions (dollars) Upper limit of each fifth($) | | | | | Percent distribution of aggregate income | | | | | | |
		Lowest	Second	Third	Fourth	Top 5%	Lowest fifth	Second fifth	Third fifth	Fourth fifth	Highest fifth	Top 5 percent	Gini ratio
1970.........	64,374	13,230	25,348	36,874	52,609	83,171	4.1	10.8	17.4	24.5	43.3	16.6	0.394
1969.........	63,401	13,443	25,803	37,313	52,284	81,999	4.1	10.9	17.5	24.5	43.0	16.6	0.391
1968.........	61,805	13,063	24,766	35,497	49,877	78,031	4.2	11.1	17.5	24.4	42.8	16.6	0.388
1967../2/...	60,446	12,248	23,883	33,910	48,343	77,570	4.0	10.8	17.3	24.2	43.8	17.5	0.399

NOTES to Table 2.
1/ [not used]
2/ Implementation of a new March CPS processing system.
3/ Implementation of 1970 census population controls.
4/ Implementation of a new March CPS processing system. Questionnaire expanded to ask eleven income questions.
5/ These estimates were derived using pareto interpolation and may differ from published data which were derived using linear interpolation.
6/ First year medians are derived using both pareto and linear interpolation. Prior to this year all medians were derived using linear interpolation.
7/ Implementation of 1980 census population controls. Questionnaire expanded to show 27 possible values from 51 possible sources of income.
8/ Implementation of Hispanic population weighting controls.
9/ Recording of amounts for earnings from longest job increased to $299,999.
10/ Implementation of a new March CPS processing system.
11/ Implementation of 1990 census population controls.
12/ See footnote 13. To maintain comparability, income data topcoded to 1992 limits.
13/ Data collection method changed from paper and pencil to computer-assisted interviewing. In addition, the March 1994 income supplement was revised to allow for the coding of different income amounts on selected questionnaire items. Limits either increased or decreased in the following categories: earnings increased to $999,999; Social Security increased to $49,999; Supplemental Security Income and Public Assistance increased to $24,999; Veterans' Benefits increased to $99,999; Child Support and Alimony decreased to $49,999.
14/ Introduction of new 1990 census sample design.

Table 3. Mean Income Received by Each Fifth and Top 5 Percent of Households, 1967 to 1994
(Households as of March of the following year. Income in 1994 CPI-U-X1 adjusted dollars.)

Year	Lowest fifth	Second fifth	Third fifth	Fourth fifth	Highest fifth	Top 5 percent
1994./14/...	7,762	19,224	32,385	50,395	105,945	183,044
1993./13/...	7,602	19,134	32,073	49,843	103,846	178,234
1993./12/...	7,601	19,124	32,060	49,816	101,113	167,408
1992./11/...	7,698	19,205	32,356	49,669	96,240	152,751
1991...........	7,903	19,748	32,803	50,006	95,895	149,649
1990...........	8,158	20,444	33,768	50,913	98,804	157,335
1989...........	8,391	20,797	34,570	52,292	102,221	165,153
1988...........	8,148	20,441	34,189	51,681	98,665	155,610
1987./10/...	8,045	20,331	33,991	51,378	97,709	153,940
1986...........	8,037	20,084	33,609	50,630	95,831	150,126
1985./9/.....	7,984	19,595	32,525	48,925	91,390	140,975
1984...........	7,996	19,313	32,005	48,189	88,608	133,757
1983./8/.....	7,795	18,887	31,226	46,859	86,032	129,986
1982...........	7,756	18,790	31,103	46,258	84,841	128,198
1981...........	7,954	18,856	31,237	46,564	83,176	123,600
1980...........	8,073	19,316	31,875	46,959	83,728	125,122
1979./7/.....	8,239	19,955	32,900	48,281	86,647	132,146
1978...........	8,358	19,870	32,808	48,061	85,805	130,605
1977...........	8,238	19,250	31,842	46,655	83,198	127,276
1976./6/.....	8,178	19,254	31,663	45,982	81,383	123,999
1975./5/.....	8,001	18,844	30,916	44,924	79,316	120,364
1974./5/4/..	8,312	19,751	31,830	45,971	81,447	123,800
1973...........	8,063	19,988	32,661	46,953	83,271	126,903
1972...........	7,730	19,687	32,127	46,119	82,798	128,330
1971./3/.....	7,310	19,012	30,826	43,824	77,652	119,100
1970...........	7,281	19,359	31,176	43,947	77,810	119,432
1969...........	7,361	19,620	31,351	43,911	77,184	118,808
1968...........	7,202	19,034	30,186	42,113	73,754	114,189
1967./2/.....	6,638	18,098	28,897	40,430	73,267	116,784

NOTES to Table 3: See Table 2.

Table 4. Average Income-to-Poverty Ratios for Families, by Income Quintile, 1967 to 1994. (Families as of March of the following year.)

Year	Number of families (thous.)	Lowest fifth	Second fifth	Middle fifth	Fourth fifth	Highest fifth
1994./14/.	69,313	0.92	2.17	3.26	4.67	9.22
1993./13/.	68,506	0.88	2.10	3.19	4.60	9.07
1993./12/.	68,506	0.88	2.10	3.19	4.60	8.79
1992./11/.	68,216	0.89	2.15	3.26	4.55	8.39
1991.........	67,173	0.94	2.22	3.28	4.60	8.40
1990.........	66,322	0.99	2.27	3.35	4.70	8.61
1989.........	66,090	1.01	2.30	3.43	4.79	8.90
1988.........	65,837	0.99	2.27	3.39	4.73	8.48
1987./10/.	65,204	0.99	2.28	3.39	4.68	8.36
1986.........	64,491	0.99	2.25	3.32	4.62	8.16
1985./9/...	63,558	0.96	2.17	3.20	4.43	7.80
1984.........	62,706	0.95	2.15	3.15	4.38	7.48
1983./8/...	62,015	0.91	2.07	3.06	4.26	7.13
1982.........	61,393	0.92	2.05	3.01	4.11	6.94
1981.........	61,019	0.99	2.10	3.04	4.14	6.79
1980.........	60,309	1.03	2.17	3.11	4.20	6.82
1979./7/...	59,550	1.11	2.28	3.25	4.38	7.18
1978.........	57,804	1.12	2.29	3.24	4.36	7.14
1977.........	57,215	1.10	2.21	3.18	4.27	6.91
1976./6/...	56,710	1.10	2.19	3.14	4.14	6.70
1975./5/ ..	56,245	1.08	2.13	3.04	4.01	6.55
1974./5/4/	55,698	1.13	2.24	3.11	4.12	6.69
1973.........	55,053	1.12	2.27	3.15	4.19	6.99
1972.........	54,373	1.09	2.22	3.07	4.09	6.90
1971./3/...	53,296	1.05	2.08	2.89	3.82	6.47
1970.........	52,227	1.04	2.10	2.88	3.80	6.38
1969.........	51,586	1.06	2.13	2.91	3.80	6.35
1968.........	50,823	1.04	2.06	2.80	3.64	6.13
1967./2/...	50,111	0.97	1.94	2.67	3.51	6.06

NOTES to Table 4: See Table 2.

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CENSUS BUREAU REPORTS ON INCOME INEQUALITY IN AMERICA

EMBARGOED UNTIL: JUNE 20, 1996 (THURSDAY) - In the past three decades there has been a rise in income inequality among the nation's households, according to a report entitled, A Brief Look At Postwar U.S. Income Inequality (P60-191), released today by the Commerce Department's Census Bureau.

The report--which uses five different indicators to measure the money income distribution of households--says that between 1968 and 1994 each type of indicator showed a significant increase in income inequality.

For example, one of the five indicators showed that, the household at the 95th percentile in 1994 had 8.2 times the income of the household in the 20th percentile, compared with 6.0 times as much in 1968.

Daniel Weinberg, the report's author, says, "Besides the five indicators of money income inequality, the Census Bureau also has examined several experimental measures of income that add in the value of noncash benefits such as food stamps and subtract out taxes.

The report contains only previously released data. It was prepared to summarize information on income inequality in one easily accessible short report.

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Editor's note: media representatives may obtain copies of the report from the Census Bureau's Public Information Office on 301-457-3030; fax: 301-457-3670; or e-mail: pio@census.gov; or contact Fax-on-Demand at 301-457-4178, Document No. 1154. Other orders should be directed to the bureau's FastFax: 1-900-555-2Fax (there is a nominal fee); Customer Services Branch on 301-457-4100; or fax: 301-457-3842. Historical statistics are available on request or via the bureau's Internet site at http://www.census.gov.